

additions thereto made between the date hereof and the Closing Date, free and clear of any liabilities or obligations predating the Closing Date.

- (c) Accounts Receivable. All of the STATIONS' accounts receivable as of the Closing Date;
- (d) Leases and Contracts. All of the leases, contracts, and agreements described in Schedule C attached hereto, including all necessary tower and tower site leases, free and clear of any obligations or liabilities predating the Closing Date; those contracts entered into between the date hereof and the Closing Date in the usual and ordinary course of business or which have been specifically consented to by BUYER in writing; and time sales agreements in effect on the Closing Date which are for cash (as opposed to trade-outs) at rates consistent with the normal and customary practices of the STATIONS for the periods in question.

- (e) FCC Records. All records, files and logs located at the STATIONS and that relate to the operation of said STATIONS, including the STATIONS' public files required by FCC rules.
- (f) Intangibles. Goodwill and any other intangible rights, including any and all rights to the STATIONS' call letters, copyrights, patents, trademarks, service marks, trade names, slogans, logos, advertiser and other business lists, trade secrets, sales and operating plans, described in Schedule D, subject to FCC Rule Section 73.1150 regarding reversionary interests.
- (g) Other Assets. Any other assets not specifically enumerated above, including computer software, magnetic media, electronic data processing files, systems and programs, if any.

2. Excluded Assets. The following assets are excluded from the purchase and sale contemplated by this Agreement and shall not be conveyed to BUYER hereunder, except as otherwise specifically provided by this Agreement:

- (a) cash on hand and in banks, certificates of deposit, money market funds and other cash equivalents; and
- (b) all pension, profit sharing or cash or deferred plans and trusts and the assets thereof and any other employee benefit plan or arrangement and the assets thereof.

3. Excluded Liabilities and Contracts. SELLER shall be solely responsible for, and there shall be no assumption by BUYER of, any liabilities of SELLER or STATIONS except as set forth in Schedule C to this Agreement. It is expressly agreed that BUYER shall not assume any liability for the following:

- (a) Liabilities, contracts, agreements or leases of SELLER other than those set forth in Schedule C or specifically agreed to by BUYER;
- (b) Any agreements, executed or executory, relating to the exchange of time on the STATIONS for goods, wares, services, advertising, promotions, merchandising or anything other than cash, except those listed in Schedule C or specifically agreed to by BUYER; and

- (c) Frequency discounts, rebates or allowances to advertisers (or their agencies) to the extent that the same are based on broadcasting prior to 12:01 a.m. on the Closing Date and do not reflect an equal rate of compensation to STATIONS throughout the entire term of the advertising schedule except those pro-rated pursuant to Section 24.

4. Purchase Price and Terms. The purchase price to be paid by BUYER to SELLER for the foregoing assets shall be Eight Hundred Thousand Dollars (\$800,000.00), which shall be paid on the Closing Date as hereinafter defined in the following manner:

- (a) Payment at Closing. Seven Hundred Thousand Dollars (\$700,000.00) to be paid at Closing to the order of SELLER by certified or cashier's check or other form of payment acceptable to SELLER, less any set-offs or adjustments pursuant to this Agreement or as otherwise agreed between BUYER and SELLER; and

(b) Promissory Note. One Hundred Thousand Dollars (\$100,000.00) in the form of a promissory note ("NOTE") to be made subordinate to any senior debt incurred by BUYER.

(A) The NOTE will be personally guaranteed by Clifton H. Gardiner or secured by other means acceptable to SELLER.

(B) The NOTE will be payable at an annual interest rate of ten percent (10%), with interest only to be paid during the first year in four quarterly payments beginning three months after the Closing Date. The NOTE will then be amortized over a four year period in 16 quarterly installments beginning 15 months after the Closing Date, with the final payment due sixty (60) months after the Closing Date, at which time the NOTE will be paid in full.

(C) Any post-closing offsets due to BUYER may be deducted from interest and/or principal payments due on this NOTE.

5. Earnest Money Deposit. Within ten days of the execution of this Agreement, BUYER will place Twenty Five Thousand Dollars (\$25,000.00) into an escrow account as an Earnest Money Deposit for this transaction. If this transaction is not consummated due to a breach of this Agreement by BUYER, the Earnest Money Deposit shall be paid to SELLER as liquidated damages. If this transaction is not consummated due to a breach of this Agreement by SELLER, or through no fault of either party to this Agreement, the Earnest Money Deposit shall be returned to BUYER. In any case, all interest earned on this Account shall be paid to BUYER. If this transaction is consummated, the principal amount of this Account shall be distributed to SELLER and credited to the purchase price of the STATIONS on the Closing Date.

6. Non-Compete Agreement. Recognizing the expertise of SELLER and its principals in radio station operations in the ski areas of Colorado, SELLER and BUYER hereby agree to enter into a non-compete agreement as an integral part of this Agreement. Specifically, SELLER agrees that neither it nor any of its officers, directors or shareholders will, alone or in any combination, engage, directly or indirectly, for a period of five (5)

years after the Closing Date, in the ownership, management, control or operation of any radio station which is located within a 50 mile radius of the main post offices or town centers (if no main post office) of the mountain ski areas known as Crested Butte, Aspen, Vail, Steamboat Springs, Breckenridge, Copper Mountain, Keystone and Winter Park, all in the State of Colorado. In consideration for this non-compete agreement, BUYER shall pay SELLER the amount shown in Schedule F, which constitutes part of the purchase price set forth in Section 4 above. SELLER and BUYER both acknowledge that any breach of this non-compete agreement would result in irreparable and continuing damage to BUYER for which there would be no adequate remedy at law and that, therefore, BUYER shall be entitled to specific enforcement of this agreement in the event of any breach hereof. Should State law restrict either the scope of the geographical area or the term of this non-compete agreement to a lesser scope and/or term than provided herein, then this agreement shall be construed to cover the maximum scope and/or term permitted.

7. Allocation. The purchase price shall be allocated among the assets to be conveyed hereunder as reflected in Schedule F attached hereto. SELLER and BUYER agree to use such allocation for tax, accounting and all other purposes.

8. Time and Place of Closing.

The date of the closing for the sale by SELLER to BUYER of all of the assets of the STATIONS shall be on the last business day of the calendar month in which COMMISSION consent to the assignment of the STATIONS' FCC LICENSES to BUYER becomes a Final Order, and at such time as the wire transfer of BUYER's funds is released to SELLER's bank. The Closing Date may be changed by mutual consent of the parties hereto. "Final Order" as used in this Agreement means an action of the COMMISSION which is no longer subject to reconsideration or review under the provisions of the Communications Act of 1934, as amended. The place of closing hereunder shall be such place as SELLER and BUYER may agree.

9. SELLER's Representations, Warranties, and Covenants.

SELLER hereby makes the following representations, warranties, and covenants, each of which shall be deemed to be a

separate representation, warranty, and covenant, all of which have been made for the purpose of inducing BUYER to join in and execute this Agreement, and in reliance on which BUYER has entered into this Agreement.

- (a) Licenses and Authorizations. The FCC LICENSES listed in Schedule A constitute the only COMMISSION authorizations which SELLER holds with respect to the STATIONS, and are all of the COMMISSION authorizations used or useful in the operation of the STATIONS. The FCC LICENSES, and extensions or renewals thereof, are in full force and effect and are unimpaired by any acts or omissions of SELLER or its officers, directors, shareholders, employees or agents. Except as may have been disclosed to BUYER in Schedule E, there is not now pending or, to the knowledge of SELLER, threatened, any action by or before the COMMISSION to revoke, cancel, rescind, modify or refuse to renew in the ordinary course any of the FCC LICENSES, or any investigation, Order to Show Cause,

Notice of Violation, Notice of Apparent Liability or of Forfeiture or material complaint against STATIONS or SELLER. Without limiting the generality of the foregoing, the FCC LICENSES are all valid for a full license term and are subject to no restrictions or conditions; all ownership reports, employment reports, and other documents required to be filed by SELLER with the COMMISSION with respect to the STATIONS have been filed; such items as are required to be placed in the STATIONS' local public records files have been placed in such files; and all required proofs of performance or measurements have been timely-completed and filed at the STATIONS, and such proofs of performance show the STATIONS to be operating in compliance with their respective FCC authorizations. All such reports and documents are correct in all material respects.

(b) Title to Personal Property. On the Closing Date, SELLER will convey good and marketable title to all of the personal property to be conveyed pursuant to this Agreement. On the Closing Date, none of the personal assets will be subject to any mortgage, conditional sale agreement, security interest, lease, lien, hypothecation, pledge, encumbrance, restriction, liability, charge, claim or imperfection of title whatsoever. The assets listed in Schedule B, together with all improvements, replacements and additions thereto from the date hereof to the Closing Date, constitute all the tangible personal property used in the operation of the STATIONS.

(c) Condition of Tangible Personal Property. The assets listed in Schedule B, except as specifically indicated therein, are serviceable, in good operating condition and repair (reasonable wear and tear excepted) and, to SELLER's knowledge, not in need of imminent repair or

replacement. The STATIONS' transmitting and studio equipment are operating at full power in accordance with the terms and conditions of the FCC LICENSES, all underlying construction permits, the Communications Act of 1934, as amended, and the rules, regulations, and applicable policies of the COMMISSION. Without limiting the generality of the foregoing: (1) all transmitters are operating in a manner such that any COMMISSION action for which environmental factors must be considered would not require environmental processing under 47 C.F.R. Part 1, or any regulation restricting human exposure to radio frequency radiation; (2) all necessary COMMISSION equipment authorizations have been obtained; and (3) the AM STATION's ground system contains the number and type of ground radials required by the STATION's most recent FCC authorization.

- (d) Insurance. All of the real and tangible personal property and other assets of

the STATIONS which are of an insurable character are insured by financially sound and responsible insurance companies against fire and other risks.

SELLER will maintain such insurance in effect through the Closing Date.

(e) Disposal of Assets. Between the date hereof and the Closing Date, SELLER will not sell or agree to sell or otherwise dispose of the assets to be conveyed pursuant to this Agreement other than in the ordinary course of business and only if such assets are replaced, prior to the Closing Date, by other assets of equal or greater worth and utility. All inventories of supplies, tubes, and spare parts maintained for the STATIONS shall, on the Closing Date, be at levels at least equal to those existing as of the date of this Agreement.

(f) Contracts, Agreements, and Leases. The contracts, agreements, and leases to be assigned to BUYER under this Agreement are freely assignable, or, if consent of

the other contracting party to the assignment is required, such consent will be secured at SELLER's sole expense prior to the Closing Date. Those contracts, leases, and agreements whose stated duration extends beyond the Closing Date will, at closing, be in full force and effect and unimpaired by any acts or omissions of SELLER or its employees or agents. Said contracts, agreements, and leases will not be modified without BUYER's written consent, such consent not to be unreasonably withheld.

- (g) FM Tower Site. Notwithstanding the foregoing Section, BUYER understands that the Ground Lease dated July 15, 1985 between Federal Deposit Insurance Corporation (successor in interest to The Snowmass Company) and Albert W. Vontz for the FM transmitter site is not freely assignable and must be renegotiated. However, this Agreement is expressly conditioned on BUYER's receipt

of a new lease on terms acceptable to BUYER.

(h) AM Tower Site. SELLER hereby warrants that BUYER may continue to use the current AM tower site without cost or obligation until such time as a new site acceptable to BUYER is secured and final FCC approval is obtained for such site. SELLER will assign to BUYER its rights in the Lease and Option to Purchase, dated May 1, 1988 between SELLER and Jack P. DeBoer regarding location, coverage, FCC approval and other matters related to the AM "Radio Broadcasting Tower," on the same terms and conditions that pertain to SELLER in Paragraph 8 of that Lease and Option to Purchase, a copy of which is attached to this Agreement. Section (h) on page 35 will govern if DeBoer Lease Agreement is never consummated.

(i) Patents, Trademarks, Copyrights.

Schedule D lists all call signs, copyrights, patents, trademarks, trade names, current slogans, logos, service marks, and other similar intangible

property rights owned by or licensed or franchised to SELLER and used by the STATIONS, all of which are in good standing and uncontested. SELLER has no knowledge of any infringement or unlawful or unauthorized use of such property. To the best of SELLER's knowledge, the operations of the STATIONS do not infringe, and no one has asserted to SELLER that such operations infringe any copyright, patent, trademark, trade name, service mark, or other similar right of any other party.

- (j) Employees. Schedule G attached hereto is an accurate list of all persons currently employed by the STATIONS together with a description of the terms and conditions of their respective employment as of the Closing Date. SELLER will advise BUYER of any changes in the STATIONS' employees which occur prior to closing. Between the date hereof and the Closing Date, no increase shall be made in the compensation payable or to

become payable to any employee or agent of the STATIONS other than in the ordinary course of business consistent with SELLER's past practice. No employment contract shall be entered into by SELLER or on behalf of the STATIONS unless the same is terminable at will and without penalty.

- (k) Compliance with Labor Laws. SELLER has complied and is in compliance with all applicable federal, state and local laws, rules, and regulations relating to the employment of labor, including those relating to wages, hours, equal employment opportunity, collective bargaining, pension and welfare benefit plans, and the payment of Social Security, withholding and similar taxes, including without limitation any arrears of wages or any tax penalties for failure to comply with any of the foregoing, and will indemnify and hold BUYER harmless against any and all liability resulting therefrom. Any outstanding Social

Security, withholding or similar taxes relating to employment by SELLER through the Closing Date will be paid by SELLER prior to or at Closing.

- (1) No Unions. No employee of the STATIONS is represented by a union or other collective bargaining unit, no application for recognition as a collective bargaining unit has been filed with the National Labor Relations Board, and, to the best of SELLER's knowledge, there has been no concerted effort to unionize any of the STATIONS' employees. There are no material controversies pending or, to the best of SELLER's knowledge, threatened between the SELLER and any of the STATIONS' employees, and SELLER is not aware of any facts which could reasonably result in any such controversy.

- (m) Pension Plans. Except as disclosed to BUYER in Schedule H hereto, SELLER does not maintain any written or oral retirement, pension, profit sharing, stock option, bonus, termination pay,

hospitalization, vacation or other employee benefit plan, practice, agreement or understanding, including without limitation any "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 ("ERISA") or any "employee pension benefit plan" within the meaning of Section 3(2) of ERISA, and SELLER will indemnify and hold BUYER harmless from any and all liability resulting from any such plan.

- (n) No Breach. The execution and performance of this Agreement will not violate any order, rule, judgment, or decree to which SELLER is subject or breach any contract, agreement, or other commitment to which SELLER is a party or by which SELLER is bound.
- (o) Litigation. Except as may have been disclosed to BUYER in Schedule E hereto, there is no litigation, action, suit, investigation or other proceeding pending or threatened which may give rise to

any claim against any of the assets to be conveyed or adversely affect SELLER's ability to perform in accordance with the terms of this Agreement, and SELLER is not aware of any facts which could reasonably result in any such proceeding.

- (p) Administrative Violations. If SELLER receives an administrative or other order relating to any violation of the rules and regulations of the COMMISSION, or of any other federal, state or local regulatory or administrative body, including rules regarding the employment of labor and equal employment opportunity, it will promptly notify BUYER of such order and, if such matter has any potential effect on the assets being conveyed to BUYER pursuant to this Agreement, BUYER will use its best efforts to remove or correct such violations and will be responsible for the costs of correcting and removing same, including without limitation the payment

of any fines or back pay that may be assessed for any such violation. SELLER will indemnify and hold BUYER harmless with respect to any and all such violations occurring prior to the Closing Date. Except as SELLER may have disclosed to BUYER in Schedule E hereto, as of the date hereof, SELLER is not aware of any such violations, any pending investigations concerning such violations, or of any facts which could reasonably result in such violations.

- (q) Taxes. SELLER has, or by the Closing Date will have, paid and discharged all taxes, including all sales, use and transfer taxes, assessments, excises and other levies relative to the assets being sold which, if due and not paid, would interfere with BUYER's full enjoyment of the assets, facilities, licenses and other items conveyed hereunder, excepting such taxes, assessments, excises and other levies which will not be due until after the Closing

Date and which are to be prorated between SELLER and BUYER. Any outstanding taxes, assessments, excises and other levies not paid prior to Closing will be paid at Closing.

- (r) Financial Statements. SELLER has furnished BUYER with SELLER's financial statements for the three (3) year period ending December 31, 1990 (the "Financial Statements"). The Financial Statements fairly and accurately reflect the financial condition of the STATIONS and the results of their operations on the dates and for the periods indicated. SELLER shall permit BUYER's auditors, at BUYER's expense, to examine the Financial Statements for the purpose of confirming that they comply in all material respects with the foregoing representations and warranties. SELLER shall assist BUYER and BUYER's auditors so that such examination of the Financial Statements may be completed as expeditiously as possible. Any such audit

shall be conducted upon reasonable notice to BUYER and during regular business hours. One week prior to Closing, SELLER shall provide BUYER with monthly Financial Statements for the STATIONS from January 1, 1991 to a date not more than thirty (30) days prior to Closing. Within sixty (60) days after the Closing Date, SELLER shall furnish to BUYER Financial Statements for the STATIONS reflecting year-to-date operations of the STATIONS through the Closing Date. In addition, SELLER shall furnish to BUYER such other financial statements and information concerning the financial condition of the STATIONS as are prepared by the SELLER in the ordinary course of business.

- (s) Preservation of Business. SELLER shall use its best efforts to maintain the present character of the STATIONS and the quality of the programs, preserve the business organization and makeup of the STATIONS, and keep available for

BUYER the services and number of the STATIONS' present employees.

- (t) Operations Prior to Closing. Between the date hereof and the Closing Date, the STATIONS shall be operated in the normal and usual manner in accordance with the rules, regulations, and policies of the COMMISSION, and the STATIONS' business shall be conducted only in the ordinary course. SELLER will consult with BUYER prior to entering into any new programming agreements for either of the STATIONS to insure format compatibility with BUYER's intended programming plans.
- (u) Objectionable Interference. Between the date hereof and the Closing Date, SELLER will take all steps necessary or appropriate to protect STATIONS' broadcast signal from objectionable interference to or from other stations including, without limitation, the filing of any and all necessary pleadings with the FCC to prevent same from occurring.

(v) Access. SELLER will give BUYER or representatives of BUYER reasonable access during normal business hours throughout the period prior to the Closing Date to the properties, titles, contracts, leases, books, records and affairs of SELLER relating to the operation of the STATIONS. After closing, BUYER shall have reasonable access to such records of SELLER for purposes of completing its bookkeeping and other accounting procedures, and for any other purposes for which such access is reasonably necessary and proper, if such records are not required to be assigned to BUYER pursuant to this Agreement.

(w) Corporate Existence and Power. SELLER is a corporation, duly organized, validly existing, and in good standing under the laws of the State of Ohio, and it has full power under its Articles of Incorporation and all applicable laws to carry on its business as now being conducted and has full power and authority